

RICARDO LARA

INSURANCE COMMISSIONER

California Department of Insurance

Notes – Small Business Resources and Fire Preparedness Tele-Town Hall Friday, July 24, 2020

California businesses of all sizes are suffering great losses because of the COVID-19 pandemic. While we have encountered business interruption questions in the past following wildfires or other disasters, we have seen nothing on this scale – with thousands of businesses closed and drastically reducing payroll. It is imperative for you to have up to date information on services and resources for both issues. Assemblymember Dr. Joaquin Arambula, Insurance Commissioner Ricardo Lara and Senator Anna Caballero hosted the following experts at the small business and fire preparedness tele-town hall on insurance issues and available resources for businesses:

- Dawn Golik, Director, U.S. Small Business Administration Fresno District Office
- Shane K. Brown, Fresno Fire Department, Firefighter Specialist, Public Information Officer
- Tony Cignarale, Deputy Commissioner, Consumer Services & Market Conduct Branch, California Department of Insurance

Assemblymember Joaquin Arambula

I am Assemblymember Dr. Joaquin Arambula. I have the honor and privilege of representing the 31st Assembly District here in the San Joaquin Valley. I represent fourteen cities: Fresno, Sanger, Reedley, Orange Cove, Parlier, Fowler, Selma, Kingsburg, Kerman, Mendota, Firebaugh, San Joaquin, Coalinga, and many other unincorporated communities.

All of us have questions that we are hoping to get answered today at the townhall. I'm looking forward to have an opportunity to have a conversation today. I now have the honor of introducing our Insurance Commissioner for the Great State of California, Ricardo Lara.

Insurance Commissioner Ricardo Lara

Thank you, Senator Caballero and Assemblymember Arambula for having me today.

Prior to my election in 2018 as Insurance Commissioner I was fortunate to serve alongside both of you in the Legislature.

The residents of the Valley are fortunate to have two pragmatic, problem-solving leaders representing them in Sacramento – we need that more than ever.

Since the COVID-19 pandemic started I have joined more than 30 virtual town halls like this one -- and reached more than 7,000 businesses and consumers.

On a personal note -- I was born and raised in the Los Angeles area, but I have family ties in the Central Valley. I'm sorry I can't be there in person but I'm glad to join you today. Thank you.

Senator Anna Caballero

Thank you very much, Assemblymember Arambula. It's a pleasure to be here. Good afternoon to everyone. I am very excited to have Commissioner Lara here with us to answer some very important questions.

I represent the 12th Senate district and I cover 27 incorporated cities. I also represent the Central Valley, as a part of our districts overlap each other. I'm really glad to be able to join today's virtual town hall to discuss fire preparedness and resources available to small businesses. A big thank you to the Assemblymember Arambula for inviting me to join the conversation, where we know that our Commissioner has committed to broadening the protection of insurance non-renewal laws.

Insurance Commissioner Ricardo Lara

Your elected leaders at the federal, state and local levels all have a lot of work to do to assist businesses and their workers as we continue to try to cope with this pandemic and the future of our economy and the state.

I have taken a number of steps to help businesses and consumers, including ordering insurance companies to return a portion of premiums to businesses and drivers affected by the COVID-19 pandemic.

This directive applies to the following lines of insurance:

- Private passenger automobile
- Commercial automobile
- Workers' compensation
- Commercial multi-peril
- Commercial liability
- Medical malpractice
- Any other line of coverage where the risk has become substantially overstated as a result of the pandemic.

To date, as a direct result of my directive, California automobile insurance companies have provided \$1.2 billion in savings to drivers.

That \$1.2 billion includes:

- More than \$1 billion in premium relief for more than 18 million drivers for the first three months at the start of the pandemic.
- And an additional \$180 million in savings on future rate increases that insurance companies had to reduce in response to my orders.

My action goes farther than any other state by including businesses where the risk of loss has fallen as a result of the pandemic.

If you want to know what relief your insurance company is providing, you can go on our website and

insurance.ca.gov 800.927.4357

see reports that they submitted at [insurance.ca.gov](https://www.insurance.ca.gov).

My Department is currently reviewing all the reports we received from insurance companies about how much premium they are returning from commercial policies – to verify that these amounts are sufficient.

As a business owner, you should not have to do anything to receive the refund or credit, and insurance companies must provide this relief as soon as possible.

I expect these savings for consumers will continue to grow.

A few weeks ago, I extended my order for premium relief to include the month of June and beyond for as long as the risk of accident and loss remains lower due to the pandemic.

We encourage businesses to contact our Department at 1-800-927-4357 or by visiting our website at www.insurance.ca.gov

In addition to getting premium money back to businesses, there are a few other major issues we are monitoring, including business interruption insurance.

My Department has received a number of complaints regarding claims for business interruption insurance related to COVID-19 closures. Many businesses have looked to their insurance policies for possible coverage.

As you know, each policy is a legal contract between the business owner and the insurance company – and, since early March, we have seen dozens of lawsuits around the country, including California, which concern the interpretation of these policies and whether these policies cover losses due to the pandemic.

I can tell you we are monitoring these cases as they move through the courts. Meanwhile I have taken several significant steps to address business interruption.

For example, we have been learning that some insurance companies are denying business interruption claims without a thorough investigation or even discouraging business owners from even filing a claim. That is simply unacceptable.

In response to numerous complaints from businesses, public officials, and other stakeholders, I required insurance companies to comply with their contracts and California law by fairly investigating all business interruption claims caused by COVID-19 – just as they would for any disaster.

My Department will be watching to make sure they do and ensure everyone is getting a fair claim.

In addition to COVID-19, we face an ongoing threat from wildfires. Over the past year before the pandemic, I joined 22 meetings on wildfire insurance issues across the state – attended by more than 2,000 people.

The reality is that wildfires are a statewide problem – and the fires that we have seen this year are a reminder that the wildfire season is already here, whether we are ready for it or not.

CAL FIRE and other agencies have responded to thousands of incidents already this year – including

[insurance.ca.gov](https://www.insurance.ca.gov) 800.927.4357

the Mineral Fire here in your districts.

Earlier this month we held a town hall with CAL FIRE, the Governor's Office of Emergency Services, and the consumer group United Policyholders to talk about preparation – and you can find the link to listen to that on our website, insurance.ca.gov.

If we have another wildfire season that damages and destroys homes and businesses, my Department will be there to help you recover.

For the 2017 and 2018 wildfires and the 2018 fire-related Montecito mudslide, the dedicated staff at the Department was able to recover more than 240 million dollars for wildfire claimants.

Before my election as Insurance Commissioner in 2018, I proudly authored Senate Bill 824, which gives protection against insurance non-renewals to everyone living in or near the perimeter of a declared wildfire emergency.

Last year, I put that new law into effect for the first time. More than 1 million homes in 180 zip codes are now protected until December 2020 from a nonrenewal. You can find the whole list of zip codes on our website: insurance.ca.gov.

If we have another state-declared disaster this year and beyond, the new law will protect those from non-renewals for a year as well.

The Department is committed to protecting consumers while working with the Legislature to promote home-hardening and other strategies to make insurance available and affordable for all.

I want to urge all businesses to be on the lookout for fraud and insurance scams – unfortunately during these times is when you see businesses targeted for fraud. If you see any red flags or suspicious activity, please report it to the Department of Insurance. We have 300 sworn investigators and enforcement personnel, with 9 regional offices – including an office in Fresno.

I would also tell businesses to be on the alert for those offering bogus workers' compensation policies.

Verify the legitimacy of the selling agent and the policy offered. Verify the agent's license on our website and contact their insurance company directly to verify the policy.

Again, you can report any issues to my Department at 800-927-4357.

Our team, like many of you is working from home to stay safe, but we have not skipped a beat, we continue to provide essential services for California consumers and we are available via phone at 1-800-927-4357 and through our website at www.insurance.ca.gov to assist you with your claims.

Insurance can be complicated. We know our business owners primary concern is keeping doors open and keeping employees and customers safe. We can help you and guide you through this process. We have insurance experts ready to help and answer your questions in multiple languages. You can talk to an actual person – not just a recording. I look forward to answering your questions.

insurance.ca.gov 800.927.4357

Dawn Golik

Good afternoon and thank you Assemblymember Arambula and Senator Caballero for the opportunity to participate in today's event. My name is Dawn Golik and I'm Director of SBA's Fresno District Office serving the San Joaquin Valley and Central Coast. I'm so glad to be with you today.

The Small Business Administration is the Federal government agency that serves & advocates for America's 30 million small businesses. I know that the last several weeks have been incredibly difficult for business owners around the country, across California, and here in the 15 county San Joaquin Valley and Central Coast region.

I want small businesses to know that you are not alone right now, and there is help from the SBA and our partner organizations. The SBA is here to support and assist you and we have partner agencies including SCORE and the Small Business Development Center or SBDC who are also available to help.

If you want to reach the Fresno SBA office you can contact us via email fresno@sba.gov or by phone 559-487-5791, and bilingual assistance is available in Spanish. To connect with one of SBA's partner agencies, please visit our website www.sba.gov and click on the "Local Assistance" link to find the closest organization that can provide help to you are no charge.

SBA is helping COVID-19 affected small businesses via two primary programs: the Economic Injury Disaster Loan or EIDL and Paycheck Protection Program also known as PPP.

COVID-19 is the first time in SBA's history that the agency has issued a disaster declaration due to a virus, and as a result, businesses as well as nonprofit agencies, farmers, and others can receive assistance from SBA's Economic Injury Disaster Loan.

EIDL is a long term, low interest loan with a 12-month deferment. The amount of funding a business can receive is determined by the information that they provide in their application.

EIDL gives small businesses access to capital now, a period of time to recover and stabilize while no payment is due on the loan, then up to 30 years to repay the loan at a low 3.75% interest rate. There's no fee to apply and no obligation to accept a loan if it's offered.

SBA recognizes that many small business owners are understandably concerned about potentially taking on more debt right now so I think it's really important to highlight the 12-month deferment on the loan. So again, access to capital now, a deferment period when our businesses are hopefully reopening again and stabilizing, then a long-term repayment period with a low interest rate to keep payments as affordable as possible. The funds are available to businesses as working capital to help them continue their operations during this uncertain time.

Economic Injury Disaster Loans are processed and administered by SBA's Office of Disaster Assistance which is the part of SBA that can provide small businesses with updates and assistance regarding questions they have about the status of their applications. You can reach out to the office of Disaster Assistance if you need information about the status of your EIDL application.

I also want to mention that many businesses have also gotten denial letters for their EIDL applications. If you've applied and been turned down for an EIDL, you may have questions about what to do next. Please reach out to my office so we can help you.

insurance.ca.gov 800.927.4357

The Fresno SBA District office does several webinars a week for small businesses that have questions about either PPP or EIDL. These webinars are free and have subject matter experts on them so we do our best to answer questions and assist business owners. If you are interested in attending one of those, please email our main inbox which is fresno@sba.gov and we're happy to assist you with getting on the next webinar.

The Paycheck Protection Program is the other way that COVID-19 affected business is getting access to capital. It offers forgivable loans of up to \$10 million, made by SBA Lenders, that can be used for payroll, rent, utilities, and interest on mortgages in the weeks following the funding of the loan.

For many small businesses, taking care of their employees is the thing that worries them the most right now. With the PPP program, small businesses can get access to capital now, a period of time to reopen and stabilize their small business, and then for any portion of the loan which is not forgiven, a ten-month deferment before payments are due and a low 1% interest rate to repay the loan.

If you are a small business that is interested in PPP, and I cannot stress this enough, you need to apply immediately. While the lenders have until midnight Eastern on August 8th to submit their loan applications to the SBA, many lenders have exhausted their lending ability under PPP, so the challenge right now is to find a lender.

I know that some small businesses had difficulty finding a lender under the first round of PPP. I am very proud of the many community lenders around the Valley including credit unions, which have stepped up to provide PPP financing for the San Joaquin Valley region.

Additionally, businesses can work with other providers like American Express, PayPal, Square, and others to access capital. The SBA webpage www.sba.gov has information on PPP lenders. Businesses can also contact the Fresno SBA office via email fresno@sba.gov or by phone 559-487-5791. However, it's critically important for businesses to be aware that the PPP program is currently scheduled to sunset on August 8th. Unfortunately, some businesses take that to mean that they need to apply by August 8th. No, you need to apply immediately in order to give you time to connect with a lender who can still accept your application.

For businesses which may have applied under the first or second round of PPP funding and may not have heard from their lender, they should check back with the lender to get a status of their application.

Additionally, it's important for businesses to know that they don't have to be open to pay their employees. I know that many of our small businesses are still closed, so please understand that PPP provides for employees to be on sick leave, vacation time, or in other non-work types of status so you can still pay your employees even if your business is closed.

Also, it's important to note that businesses can use either PPP, or EIDL, or both with a limitation about not covering the same payroll period out of both programs.

I know we'll be taking questions later, so I'm happy to answer those but want to close with the fact that the SBA's Fresno District Office is committed to working with our region's small businesses for the long haul as you recover from this economic disaster. We're here in the community, we're part of the community, and our goal is to serve small business owners however we can.

Again, please reach out to the Fresno SBA Office if we can be of help to you – by email fresno@sba.gov or via phone (559) 487-5791. For the nearest local partner, businesses can the sba.gov website and click on the local assistance link.

Thank you again for the opportunity to participate today and I'll look forward to answering questions later.

Shane Brown

Hello. Thanks for having me. I am Shane Brown, Firefighter Specialist and Public Information Officer for Fresno Fire Department. I want to emphasize how you can harden your home and be prepared for fire season coming.

In our city, we typically see structure fires. Our department has 24 stations. The data shows that this year alone, we are up 60% in fire calls. This is a collective number, which includes calls from a piece of trash on the side of the road to a fire at a big giant apartment building. Each of these are considered a fire call. In structure fires, we are up about 30% with respect to last year. With regards to vegetation fires, we are up 60% with respect to last year. The year over year data from CalFire shows 13 times more active wildfires throughout our state, which is drawing down the resources from every city and every county. This is requiring thousands of firefighters to fight these fires. As a citizen out there, please prepare for fire. The best thing you can do is to realize that fires are a possibility. Please take some preemptive steps to prepare your home and prepare your family on how to react if you do have a wildfire in your area.

Some of the general standardized "hardening the home" tips can be found on CalFire's website and on the US Forest Service website. Both websites have a lot of information about wildfires and how to prepare your home.

I will also cover some basic generic stuff. Eighty percent of the homes that are lost to fires are because of an ember. An ember is a flying piece of material that is hot enough to ignite a fire. Those embers that pop up on large wildfires can actually carry up to one mile. When the winds are blowing steadily, you may think that the fires are miles away from where you are. However, embers can carry very quickly, so understanding weather patterns and understanding the wind in your areas is critical to anticipating whether or not that fire can impact you where you live.

Roofs are where typically most fires start; that is because the embers can land on top of roofs. Understanding the construction of the roof is important, as some types of roof construction, such as shake shingle roofs, can be more susceptible to ignition. The vents that go into your attic to allow for airflow should be covered with a metal mesh of about a 16th inch thick grade aluminum. We advise you to consult with somebody that's a licensed contractor to understand and make sure that these portions are done correctly. Windows that are older and are single pane can be shattered by fire fairly quickly. That can provide a weak, also known as a low path, so that heat can get directly into the structure. That, in turn, can superheat your furniture, your curtains, and other items in your house, causing everything to be on fire. We recommend dual pane windows.

In case you are building a structure out in the vegetation, or what is known as an urban interface, try to limit the number of windows that are facing or directly adjacent to vegetation. Consider that combustible materials will burn faster. As such, wood siding or combustible materials in walls, decks, fences, or other exterior structures may put you at risk. Do your research, as certain types of wood take longer to ignite.

Another issue that we run into is that we can't find certain homes because addresses are not clearly marked for us. Please make sure that your address is clearly marked, as the faster firefighters can get in there, the faster we can defend your home. Additionally, make sure that your gates are accessible to us. If you've got a chain around a lock, we can get through a chain that's no problem. But if you make it impossible for anybody to get through, then we may end up damaging your gate. Keep in mind that water supplies around your structure are critical. It is helpful if you can stretch a hose line. Even a garden hose around those embers that are falling is helpful as if you're able to extinguish them quickly, as you can prevent a small fire from becoming a big fire.

There are some additional basic generic tips for the average person out there, such as clearing vegetation around your home. Try to keep 100 feet of defensible space, which means that nothing within 100 feet of your house, if it were to catch on fire, would transmit radiant heat to put your structure on fire. Rain gutters are also hugely problematic and known for collecting dead vegetation up inside the rain gutters; clean those regularly, as embers can land in there and then take off.

Be a good neighbor and help people that are not able to take care of themselves. For example, if you have elderly neighbors that aren't able to get on the roof safely or a person with disability, offer to help them. If you are in a neighborhood and you notice that a neighbor has a lot of flammable material, such as piled up debris or dry weeds, help them clean up. It is not only a fire risk for their home if their house catches on fire. Your property would be exposed to it as well.

Questions

- 1. Whether liability insurance will cover claims related with customers contracting COVID-19, while engaging with our business? What advice or recommendation can you provide us while we operate in this volatile environment?**

Commissioner: I am extremely worried for and sympathetic to our businesses.

Even when you reopen, businesses are going to need time to recover. And, I know liability due to COVID-19 exposure is a legitimate concern.

The Department of Insurance is going to be watching closely to make sure that insurance companies are giving you as much flexibility as possible and that they are fully abiding by their contracts.

I understand the burdens being placed on businesses as they attempt to reopen while still keeping their employees and customers safe. It is not an understatement to say that lives are at stake here.

Businesses should follow the Governor's Resiliency Roadmap, as well as local guidelines, for what processes the business must follow, and that will go a long way towards helping California lead the way through this pandemic and reduce a business's liability exposure.

As businesses reopen, I would really encourage them to have a conversation with their agent or insurance company to get guidance regarding how to safely return to business and also to make sure businesses have the right coverage in place.

With businesses reopening and then closing, it is confusing.

Call your insurance company and make sure to get their guidelines and make sure you are protected.

If the business is not satisfied with these answers, they should contact our Department at 800-927-4357.

2. I have had difficulty finding an insurance company willing to write insurance in my area. What can I do?

Commissioner: This was a question I heard many times in meeting with homeowners across California.

The Department has created a Homeowners Insurance Finder Tool that direct consumers to companies that may be writing policies in their area. That is on our website.

The reality is that there are parts of California where you cannot find an insurance company willing to write you insurance – or even to return your phone call. And this is a major concern that I've been working on since last year.

The Department of Insurance continues to work with the Legislature to promote home-hardening and other strategies to make sure insurance is available and affordable for all.

It is an issue I know very well and we continue to try to find solutions that will hopefully allow us to mandate insurance companies to cover these areas.

3. Why are owners who are covered under workers' comp having to pay insurance when at times they can't even draw a paycheck? Also, is there a new rule regarding workers' comp for employees that are working from home?

Commissioner: In response to the first part of this question, I included worker's compensation insurance in my Premium Relief Order – for exactly this reason. Many businesses have seen their payrolls fall, and workers sent home or laid off. You should see your worker's compensation insurance costs decrease as well.

You should contact your insurance company if they have not already provided you a reduction – and contact my Department if you are not satisfied with the response at 800-927-4357.

As to the second part of this question – there have been changes to workers' compensation regulations.

Under the previous workers' compensation regulations, employers that provided workers with the opportunity to transition from regular work duties to lighter, home-based clerical work were still paying rates based upon the higher job classification.

That does not seem fair to me. So, I issued emergency workers' compensation regulations to make changes to reflect the lower risk of worker injuries in light of the pandemic.

These new regulations will mandate insurance companies to recompute premium charges for policyholders to reflect reduced risk of loss consistent with my earlier bulletins, and will result in savings for many policyholders as well as businesses.

4. Will your bulletin result in savings for many policy holders, including auto insurance? As many drivers are hardly driving less, should we be looking for rebates there as well?

Commissioner: You should already have received the rebate. I have asked that insurance companies return a portion of premiums relating to six different lines of reimbursement to businesses and drivers affected by the COVID-19 pandemic. That absolutely includes your individual private passenger auto policy.

To date, as a direct result of my directive, California automobile insurance companies have provided \$1.2 billion in savings to drivers.

That \$1.2 billion includes:

- More than \$1 billion in premium relief for more than 18 million drivers for the first three months at the start of the pandemic.

I expect these savings for consumers will continue to grow.

A few weeks ago, I extended my order for premium relief to include the month of June and beyond for as long as the risk of accident and loss remains lower due to the pandemic.

5. What lies in store for homeowners' insurance rates?

Commissioner: I came into office after two years of the most destructive wildfires in California's history – fires that killed nearly 150 people and created \$25 billion in losses.

To put that in perspective, the Camp Fire that devastated the Town of Paradise was the costliest disaster in the world in 2018.

Insurance companies are going to seek to increase rates to make up for the losses.

The inability to obtain insurance is causing a domino effect that is harming California's communities twice: First by wildfire, then by insurance companies dropping residents and businesses.

I talked to many local fire chiefs who all agree that bringing down the risk of wildfires should be our #1 priority in order to reduce losses and bring rates back down.

This year I sponsored a bill in the Legislature that would create incentives for people to do the work to protect their homes from wildfires -- by requiring insurance companies to offer a policy to a fire-hardened home in a fire-hardened community.

It also required premium discount if those home hardening efforts were taken.

The Legislature decided not to hear that bill – instead hearing an industry-sponsored bill that I believe will hurt consumers.

Nonetheless, I will continue to pursue this legislation in the future.

6. What impact will COVID-19 have on health insurance?

Commissioner: The pandemic is causing a lot of uncertainty -- we don't yet know what is going to happen for employers. Actuaries for health insurers are currently developing their assumptions regarding impact for their 2021 rates, and will likely price their products to reflect this uncertainty.

One thing is that we do not anticipate unexpected windfalls in terms of reduced claims, over the long term, as a result of the pandemic.

Yes -- there has been a substantial decrease in necessary, but elective procedures (such as heart surgery and cancer surgery) during the pandemic, in part in response to the need to focus hospital resources on developing capacity for the treatment of COVID-19 patients. As a consequence, hospitals are experiencing a substantial decrease in revenue.

Many of these procedures may be deferred to a later time – so claims for these procedures may come in a wave later.

Because of job losses related to the pandemic, we expect to see some shifts from employer-based coverage to COBRA or the individual market.

It's also important for Californians to remember that, if their income is substantially reduced, they may qualify for low-cost or no-cost Medi-Cal coverage.

My Department has taken some actions to address health costs for consumers:

- One of my first actions in response to the crisis was to eliminate cost-sharing for COVID-19 testing. Early on, Governor Gavin Newsom and I directed insurance companies to eliminate co-pays, deductibles and other costs related to screening and testing for COVID-19.
- I also directed health insurance companies to increase telehealth access for consumers. Health insurance companies must continue to provide access to medically necessary care and California policyholders should be able to have access without physically visiting their provider in person.
- I think telehealth is here to stay – and this is going to be a good thing for employers and workers alike. And telehealth can keep our medical offices working while reducing risks to front-line workers and to patients.

7. Whether nonprofits could qualify for PPP, and whether or not you help them with application assistance as August 8 is approaching?

Dawn Golik: Yes, nonprofits do qualify for PPP. The best resource that I can direct potential PPP applicants to is a wonderful document on the Department of Treasury webpage: www.treasury.gov. There is a document called "How to Calculate Loan Amount", which is a fantastic document for PPP

insurance.ca.gov 800.927.4357

applicants, whether they are self-employed, with or without employees, sole proprietor, farmer, nonprofit, and corporation. The document goes into very detailed step by step guidance on how to correctly fill out the PPP application. The best way for a PPP borrower to ensure that they can maximize their forgiveness is to submit an application that correctly captures the funding that they need to operate their business. Therefore, conform to the old adage of measuring twice and cutting once; submitting an application that has the most accurate information ensures that you get just what you need at the time that you want to use it. Individuals can also reach out to our office, either by email at fresno@sba.gov or via phone (559) 487-5791 for specific questions.

Additionally, we are doing webinars several times a week, both on PPP and the Economic Injury Disaster Loan (EIDL), for anybody who is thinking about applying for either of these programs. As mentioned earlier, August 8 is currently the sunset date for PPP. What that means is that lenders need to get their loan applications from their borrowers submitted by this date. It is important for applicants to understand that there is a significant lag time that lenders need to be able to review and process both the application and the supporting documents that applicants provide. Don't think that you should wait until August 8 to apply. Many lenders are going to start cutting that date off perhaps a week or five days before that deadline. It is critically important that potential PPP applicants apply as soon as possible. If you have any difficulty finding a lender, you can reach out to our office and we can assist you in this regard.

8. Follow up to the previous question, what types of costs could be forgiven for some of these nonprofits, potentially?

Dawn Golik: The Paycheck Protection Program (PPP) provides a potentially forgivable loan that is used for primary purposes. The first is payroll. It is important for both businesses and nonprofits to understand that your business or nonprofit does not have to be open to use a PPP loan to pay your employees, because PPP does allow employees to be paid both on a work, or a non-work status. That includes paying, for example, sick leave. It also includes potentially paying vacation time. The fact that your business may be one that is closed does not preclude you from both applying for and using funds for PPP. Additionally, PPP can be used for other kinds of key operating expenses and for businesses. It includes your rent, your utilities, and interest on mortgage. Keep in mind that some businesses may not have all of those expenses and they would just be applying for funds to cover their payroll. It is also important to note that on the application, businesses or nonprofits who are applying for PPP have to certify that they will only use their PPP loan proceeds for those approved allowable expenses such as payroll rent, utilities, and interest on mortgage.

It is important for businesses to make sure that when they receive a loan to carefully document the uses of those loan proceeds and keep receipts and documentation showing how those funds were used. After your loan funds have been used and you are preparing and submitting to your lender your application for loan forgiveness, you will need all of that information.

9. Shouldn't we have relief from car registration costs?

Commissioner: Absolutely, people are really strapped for cash at these times. As a note, I don't oversee the vehicle registration portion. However, I submitted a bulletin asking insurance companies to not eliminate any good driving discounts or take away any discounts that currently were in place, which would affect the insurance premium that individuals were currently paying. We asked this to be applicable even people were driving with a suspended registration, or a suspended license for that

matter, because we didn't want people at the DMV during this pandemic, putting their lives at risk. We want them to follow the governor's instructions.

Senator Anna Caballero

I just wanted to say that the information has been tremendously important. I am impressed with all the information shared today. I recognize Shane Brown for sharing the information about how to be safe and how to home harden your environment. It was very practical and is one of the challenges of being a homeowner. Homeowners need to be aware of ways of fixing things before hardening your home. I would suggest that you should be doing a Facebook tutorial on how to harden homes from the perspective of the fire department trying to defend your home. This could include an analysis of what is appropriate and what could create problems.

I have great respect for the work that you do. I have three cousins who lost homes in Paradise. Two of them were firefighters, and they were out there defending other people's property while they lost their own homes. I want to do everything we can to protect homes.

Shane Brown

Yes, doing a Facebook tutorial is a great point. Yes, people need to see things through our eyes as firefighters. There are often things we would prefer, such as 30 firefighters at each person's house, while in reality we only have two to four firefighters to protect one structure. Resources across the state are stretched so thin and we don't have as the amount of resources we need to keep up with what's going on.

As a result, when we approach structures, we do what is called triage. We look at what is the most savable structures within a given area in our assigned neighborhood. This gives us a better chance to defend your home, which means that you have a higher probability that we're going to anchor at your property. We want to save every structure because that's every firefighter's ethos. We don't want to leave anyone behind. There is a reality where we sometimes look at a structure and realize, no matter what we do with two or three or four people, there is nothing we can do to save the structure once the fire starts. There are a lot of resources already available, such as the CAL FIRE website which has several interactive features that people can access that explain those processes and what they do. I highly encourage you to contact your local firehouse. Everywhere in the state has different challenges. For example, different types of vegetation results in different burning patterns.

This knowledge should also kind of steer you towards how to prepare your structure; please consult these resources. An easy and fast suggestion is to try to contact your local fire department to find out where your fire engine is and where are they coming from. It is critical to clearly mark your property and have the driveway clear for the size of our trucks to be able to access your home, to enable us to access the property. If you have a pool in those areas, then leave the water in there so we can pull the water out with our trucks and use the water. Additionally, there are a lot of products available that you can purchase if you live in a really high danger area. I will steal the idea of putting things on Facebook and on our social media.

Assemblymember Arambula

I wanted to take a moment and thank all of our panelists, Shane Brown and Dawn Golik. I now want to ask Insurance Commissioner Lara and Senator Caballero for any closing remarks.

Insurance Commissioner Ricardo Lara

Assemblymember Arambula and Senator Caballero -- thank you so much for co-hosting this important conversation.

Dawn and Shane, thank you for joining us and sharing vital information for our businesses and consumers. The resources you shared are of critical importance.

And to you, our fellow Californians, if you are facing any insurance-related issues, I want to remind you that the California Department of Insurance is here to help.

You can reach us via our hotline at 800-927-4357 or our website, insurance.ca.gov.

I know that insurance can be a complicated business - we are the state's largest consumer protection agency and we are on your side.

Please contact us if we can answer any of your questions. Thank you.

Senator Anna Caballero

Thank you very much, Assemblymember Arambula. I want to thank Don Golik, Shane Brown and Commissioner Lara for sharing this terrific event, where really important information can get out to the consumers and to our residents, who desperately need information. It can be daunting to find information on the internet. It has been a terrific experience. Thank you very much for inviting me. It is always a pleasure to do work together. From my perspective, the most important part is that we're all in this together. And we'll get through tough economic times. That pandemic has us all on edge. But we will get through this and we'll do everything possible to do it together.

Assemblymember Joaquin Arambula

I wanted to end by thanking again all the panelists who took the time to help us to have this discussion with the public. I would also like to thank the public who are watching this town hall on small business and fire preparation. I hope you have been able to learn a thing or two. Please know that you can always contact my office, the Senator's office or the Insurance Commissioner's office. If you have any questions, we are here to serve you and we will get through this together. Thank you all for joining us here today.

Additional Resources

Request Assistance from the California Department of Insurance:

- <https://www.insurance.ca.gov/>
- PH: 800-927-4357

Senator Anna Caballero:

- District Office: (209) 726-5495 (Merced)

Assemblymember Dr. Joaquin Arambula

- District Office: 559-445-5532

United Policyholders

- <https://www.uphelp.org/>
- PH: 415-393-9990 (Roadmap to Recovery Services)

Governor's Resiliency Roadmap

- <https://covid19.ca.gov/roadmap/>

California Office of Emergency Services (CalOES)

- <https://www.caloes.ca.gov/>
- <https://myhazards.caloes.ca.gov/> (Link to MyHazards)
- PH: 916-845-8806

CAL FIRE

- <https://www.readyforwildfire.org>
- <https://www.fire.ca.gov/>
- PH: 916-568-3800

CAL FIRE Fresno Unit

- <https://www.fresnocountyfire.org/stations-and-functions/#fire-prevention>

U.S. Small Business Administration

- www.sba.gov
- fresno@sba.gov – Fresno District Office email
- PH: 559-487-5791 – Fresno District Office

Fire Preparedness Information:

- PH: 707-565-8875
- <https://disastersafety.org/>
- <https://www.nfpa.org/Public-Education/Fire-causes-and-risks/Wildfire/Firewise-USA>
- <https://frap.fire.ca.gov/>

U.S. Treasury

- <https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf>
- <https://home.treasury.gov/system/files/136/PPP%20Borrower%20Information%20Fact%20Sheet.pdf>